

government, but induced Jefferson to approve a bill establishing a branch at New Orleans.

The charter of the bank was to expire in 1811 and the shareholders petitioned in 1808 for a renewal. The proposal was strongly supported by Gallatin in a report of March 9, 1809, reviewing the entire history of the bank. He recommended that the capital be increased to \$30,000,000, with a view to lending three-fifths of the amount to the government in case of war, and that the States be allowed to subscribe \$15,000,000. The advantage derived by the government from the existing bank he classified under the four heads of safe keeping of the public monies, transmission of public monies, collection of revenue, and loans.¹ Congress was not disposed to adopt so comprehensive a scheme as this, but theoretical opposition to the bank had so far yielded to practical considerations that the terms of a contract were arranged for a new charter, which received the approval of the House on April 21, 1810, by a vote of 75 to 35. It was the fatal incapacity of the Eleventh Congress to take positive action which prevented the taking up of the bill again, and gave the State bankers time to organize an opposition and instruct their senators against re-charter.²

The charter was opposed at the next session not only by the advocates of strict construction of the Constitution, but by party factions opposed to Gallatin in the Cabinet and the Senate. William Duane and Michael I/eib had attempted to dictate the Federal appointments in Philadelphia and upon Gallatin's refusal to submit became his bitter enemies. They were supported in the bank contest by a Maryland clique headed by Robert Smith, the Secretary of State, and Senator Samuel Smith, his brother. The fact that about 1800 of the 2500 shares were held abroad was made the occasion of bitter attacks upon the bank. A type of this sort of opposition was the speech of Mr. Desha of Kentucky, in the House on February 12, 1811, in which he declared that this accumulation of foreign capital was one of the engines for

¹Stevens, 261.

²Adams, V, 208.